



News Release

Contact:
Jill Rees (202) 720-6101

USDA Announces Funding to Spur Local and Regional Economic Growth in America's Rural Communities

WASHINGTON, May 1, 2014 – Agriculture Secretary Tom Vilsack today announced the availability of funding to promote long-term economic growth and community vitality in rural areas. With the announcement, the U.S. Department of Agriculture (USDA) invites applications for funding through three community and economic development programs administered by USDA Rural Development.

“USDA is committed to helping rural communities access the resources they need to implement strategies that will invigorate the economy, reduce poverty and enhance the quality of life in our small towns and rural areas for years to come,” Vilsack said.

The announcement includes \$30.6 million in zero-interest loans and \$9.2 million in grants to establish revolving loan funds that finance business and economic development activities in rural areas. Applications for these funds will be accepted through the [Rural Economic Development Loan and Grant](#) (REDLG) Program. Rural utilities that are eligible for USDA financing under the Rural Electrification Act and have the capacity to serve as intermediary lenders may apply to USDA Rural Development to administer the funds locally for the benefit of specifically identified projects. These intermediaries re-lend REDLG funds at zero percent to assist with business startup and expansion, business technical assistance and job training, and community facilities projects that support economic development. Applications are accepted on an ongoing basis through USDA Rural Development State Offices and are evaluated for funding consideration monthly.

Through the [Rural Business Opportunity Grant](#) (RBOG) Program, USDA Rural Development is accepting competitive grant applications to improve economic conditions in designated [Rural Economic Area Partnership Zones](#) and for members of Native American tribes in rural areas. Government entities, nonprofit corporations, institutions of higher education, rural cooperatives and Native American tribes may apply for grants of up to \$100,000. Funding may be used to support business incubators, feasibility studies and business plans, long-term strategic business planning, leadership and entrepreneurial training, and other related efforts. Just over \$1.3 million is reserved for projects benefiting Native American communities. Another \$919,820 is reserved for projects with Rural Economic Area Partnerships.

In addition, USDA announces the availability of two grants from funds appropriated for the Rural Business Enterprise Grant (RBEG) program: a \$500,000 grant for rural transportation projects and a \$250,000 grant for Federally Recognized Native American

Tribes. Funds may be used to provide technical assistance and training to help rural communities improve passenger transportation services or facilities.

These USDA programs provide key support needed to create rural jobs and promote local and regional economic growth. For instance, the non-profit Ecotrust estimates that RBEG and RBOG funding for its FoodHub website is allowing it to connect more than 2,100 farmers, ranchers, fishermen, dairies and specialty producers to more buyers, distributors and industry suppliers. Between 2010 and 2012, the service reported helping producers in Oregon, Washington, Idaho, Montana, Alaska and California increase full-time employment by 23 percent and part-time employment by 38 percent.

Application deadlines and details for all three programs will be available May 2 when the funding notices are published in the Federal Register.

President Obama's plan for rural America has brought about historic investment and resulted in stronger rural communities. Under the President's leadership, these investments in housing, community facilities, businesses and infrastructure have empowered rural America to continue leading the way – strengthening America's economy, small towns and rural communities. USDA's investments in rural communities support the rural way of life that stands as the backbone of our American values.

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